

# SENATE CHAMBER

STATE OF OKLAHOMA

DISPOSITION BY SENATE

## FLOOR AMENDMENT

No. \_\_\_\_\_

\_\_\_\_\_  
(Date)

Mr./Madame President:

I move to amend Senate Bill No. 1970, Page 13, Line 20, as follows:

By deleting Section 6 and

By inserting new SECTIONS 6 through 13 to read as follows, by renumbering subsequent sections, and by amending the title to conform.

SECTION 6. AMENDATORY Section 3, Chapter 349, O.S.L. 2007 (74 O.S. Supp. 2007, Section 5062.31), is amended to read as follows:

Section 5062.31. The Legislature finds:

1. It is in the best interest of the State of Oklahoma to ensure the continued location and expansion of established military bases and facilities in this state;
2. Growth to political subdivisions as a result of the presence and expansion of military bases and facilities requires improved and expanded municipal and school infrastructure and facilities; and
3. Political subdivisions that serve military bases are in critical need of capital improvement projects, and the financing of such projects constitutes an important public purpose.

SECTION 7. AMENDATORY Section 4, Chapter 349, O.S.L. 2007 (74 O.S. Supp. 2007, Section 5062.32), is amended to read as follows:

Section 5062.32. As used in the Military Base Protection and Expansion Incentive Act:

1. "Authority" means the Oklahoma Development Finance Authority;
2. "Capital project" means the acquisition, construction, expansion, replacement, or renovation of a municipal, county or school district facility, including real property, buildings, and

other fixed assets. Capital project shall not include furnishings or equipment that is not a fixed asset; and

3. “Qualified ~~political subdivision~~ issuer” means a municipality, county, school district, or public trust of which a municipality, county or school district is the beneficiary that:

- a. is located in or adjacent to a county that is home to a military installation receiving military or mission expansion from the 2005 Base Realignment and Closure Commission (BRAC) recommendations, and
- b. encompasses all or part of a school district that is entitled to receive federal impact aid dollars or federal payment in lieu of tax dollars for the most recently completed school year.

SECTION 8. AMENDATORY Section 5, Chapter 349, O.S.L. 2007 (74 O.S. Supp. 2007, Section 5062.33), is amended to read as follows:

Section 5062.33. There is hereby created a loan program, the purpose of which is to protect and retain established military bases and facilities and to support additional and expanded employment at such bases and facilities. The program shall provide funding to qualified ~~political subdivisions~~ issuers to finance capital projects needed as a result of growth due to or in connection with an established military base.

SECTION 9. AMENDATORY Section 6, Chapter 349, O.S.L. 2007 (74 O.S. Supp. 2007, Section 5062.34), is amended to read as follows:

Section 5062.34. A. When a qualified ~~political subdivision~~ issuer that is or will be impacted by growth at a military installation, proposes to acquire or construct a capital project, the Oklahoma Development Finance Authority may serve as conduit issuer for the capital project in the form of loans, lease-purchase agreements, or other forms of indebtedness.

B. For the capital projects described in subsection A of this section, the Authority may issue bonds to provide funding:

1. To acquire real property, together with improvements thereon;
2. To construct buildings and other improvements to real property; and
3. To provide repairs, renovations, and improvements to real property and other fixed assets;

and

4. To defease or refund bonds or other obligations of a qualified issuer which were issued to finance a capital project as defined herein; and further, to fund necessary bond reserves and to pay costs of issuance of any obligations issued under this Act.

C. The Authority shall not issue bonds for loans, lease-purchase agreements, or other forms of indebtedness for a qualified ~~political subdivision~~ issuer pursuant to the Military Base Protection and Expansion Incentive Act except upon the certification by the qualified ~~political subdivision~~ issuer that it has received or will receive an amount sufficient to repay the indebtedness as a result of a voter-approved incentive derived from a tax levy. Further, the qualified issuer shall certify that it will not use the proceeds of general obligation bonds to pay the interest on any lease-purchase obligations.

D. The Authority may hold title to the new real property and improvements and place liens on improved existing real property until such time as any obligations issued for the purpose of the capital project are retired or defeased and may lease the real property and improvements to the qualified ~~political subdivision~~ issuer. Upon final redemption or defeasance of the obligations created pursuant to this section, title to the real property and improvements thereon shall be transferred from the Authority to the qualified ~~political subdivision~~ issuer.

E. The Authority may defer principal payments on loans made pursuant to the Military Base Protection and Expansion Incentive Act for a period not to exceed five (5) years.

SECTION 10. AMENDATORY Section 7, Chapter 349, O.S.L. 2007 (74 O.S. Supp. 2007, Section 5062.35), is amended to read as follows:

Section 5062.35. A. It is the intent of the Legislature to appropriate monies to the Oklahoma Department of Commerce in a total amount not to exceed Five Million Dollars (\$5,000,000.00) per year for the purpose of funding interest payments of obligations issued by the Authority pursuant to this act during the initial five (5) years of the obligations. The appropriated funds shall be deposited in the Military Base Protection and Expansion Bond Fund.

B. Upon the completion of the periods, if any, during which principal payments are deferred and during which interest payments are made from the Military Base Protection and Expansion Bond Fund for a qualified ~~political subdivision~~ issuer, the qualified ~~political subdivision~~ issuer shall pay all principal, interest, and other appropriate costs associated with the issuance of the obligations. Payments may be in the form of lease payments to the Authority as described in subsection D of Section 6 of this act.

C. Bonds issued by the Authority under this act must be delivered no later than June 30, 2010. No monies will be provided pursuant to this section after June 30, 2015, for interest payments on bonds issued under this act.

SECTION 11. AMENDATORY Section 8, Chapter 349, O.S.L. 2007 (74 O.S. Supp. 2007, Section 5062.36), is amended to read as follows:

Section 5062.36. A. There is hereby created within the State Treasury a special fund for the Department of Commerce to be designated as the "Military Base Protection and Expansion Bond Fund". All monies deposited into the fund shall be used and expended by the Department solely to pay interest on bonds issued pursuant to the terms of this act. The Department shall enter into agreements as necessary to carry out the purposes of this act.

B. The Department may establish separate accounts within the Military Base Protection and Expansion Bond Fund as may be required to separately record transactions involving each qualified ~~political subdivision~~ issuer that applies to participate in the

loan program created by this act and to provide for the distribution of monies deposited in the fund.

SECTION 12. Sections 1 through 5 of this act shall become effective November 1, 2008.

SECTION 13. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Submitted by:

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Senator Randy Bass

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2/27/2008 3:56 PM